



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: General Services
Department No.: 063
For Agenda Of: October 12, 2021
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: General Services Janette D. Pell, Director (805) 560-1011
Contact Info: Skip Grey, Assistant Director of General Services (805) 568-3083
Julie Lawrence, Real Property Manager (805) 568-3073
SUBJECT: **First Amendment to the Lease Agreement Between the County of Santa Barbara and the Santa Barbara County Association of Governments (RP Folio #3411) and Second Amendment to the Lease Agreement Between the County of Santa Barbara and the Santa Barbara County Air Pollution Control District (RP Folio #003410), Second District**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Approve, ratify and authorize the Chair to execute the original and duplicate original First Amendment to the Lease Agreement (“First Amendment”) between the County of Santa Barbara and the Santa Barbara County Association of Governments (“SBCAG”) to reduce the size of SBCAG’s leased premises in Casa Nueva from a total of 5,979 square feet to 5,591 square feet and modify certain management and building responsibilities;
- b) Approve, ratify and authorize the Chair to execute the original and duplicate original Second Amendment to the Lease Agreement (“Second Amendment”) between the County of Santa Barbara and the Santa Barbara County Air Pollution Control District (“District”) to reduce the size of the District’s leased premises in Casa Nueva from a total of 9,881 square feet to 9,061 square feet and modify certain management and building responsibilities;
- c) Determine that the proposed actions are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, Existing Facilities, finding that the actions consist of the operation, repair, maintenance, and leasing of existing public or private structures involving negligible or no expansion of existing or former use.

Summary Text:

The Board's actions to approve and authorize the Chair to execute the First Amendment (Attachment 2) and Second Amendment (Attachment 3) will modify the occupancy and usage of the building known as "Casa Nueva" on the Calle Real Campus. The First Amendment will reduce the size of SBCAG's leased premises from 5,979 square feet to 5,591 square feet and reduce its monthly payment from \$8,630.37 per month to \$8,070.61 per month. The Second Amendment will reduce the size of the District's leased premises from 9,881 square feet to 9,061 square feet and reduce its monthly payment from \$14,263.15 to \$13,079.55. It will also allow the County's General Services Department to occupy a portion of the building and share in the building's management and maintenance responsibilities.

Background:

The building known as Casa Nueva on the County's Calle Real Campus was first constructed and available for occupancy in May 2003. The building has approximately 28,268 square feet of commercial office space and is currently occupied by SBCAG, District and the County Department of Social Services. SBCAG and District each have long-term leases with fixed rent of \$1.2928 per square foot per month. In addition to rent, SBCAG and District pay a proportionate share of actual maintenance and operational costs of the property, which includes an amount that is allocated to a reserve fund for the replacement of capital items. Unlike rent, this replacement reserve payment is subject to an annual cost of living adjustment and is currently based on \$.1507 per square foot.

The County General Services Department ("GS") wishes to relocate its office from Room 108 in the County Administrative Building in downtown Santa Barbara to a portion of Casa Nueva. GS proposes to exclusively occupy 4,755 square feet in the building, which includes 3,136 square feet of vacant office space, 439 square feet of office space currently leased to the District, and 1,180 square feet of space currently designated as a common area. Other changes include converting two areas on the first floor from common areas to District's exclusive space and modifying certain management and building responsibilities, including signage, loading dock usage, scheduling conference room use, and installing a security system.

SBCAG: SBCAG's lease is for a term of 30 years and expires on April 30, 2033. The organization currently occupies 4,298 square feet of exclusive office space, which is 21% of the building's total square footage, and its proportionate share of common area is deemed to be 1,581 square feet (21% of the available common area), for a total of 5,979 square feet. SBCAG's monthly rent is \$7,729.65 ($\$1.2928 \times 5,979$) and its replacement reserve payment is currently \$900.72. Execution of the First Amendment will result in a reduction of common area space so that SBCAG will occupy 5,591 square feet (20% of the building). Its monthly rent will be reduced to \$7,228.05 and its new replacement reserve payment will be \$842.56.

DISTRICT: The District's lease is for a term of 30 years plus one 7-year option to extend through April 30, 2040. The District currently occupies 7,264 square feet of exclusive office space, which is 35% of the building's total square footage, and its proportionate share of common area is deemed to be 2,617 square feet (35% of the available common area). Rent is \$12,774.16 per month and its replacement reserve payment is currently \$1,488.99. Execution of the Second Amendment will result in a reduction of the District's exclusive and common area space so that District will occupy 9,061 square feet (32% of the building). Its monthly rent will then be reduced to \$11,714.06 and its new replacement reserve payment will be \$1,365.49.

CEQA: Execution of the First Amendment and Second Amendment provides for the continued operation, repair, and maintenance of a portion of Casa Nueva, an existing public structure. The action will not involve an expansion of use and is unlikely to have a significant environmental impact. Therefore, this project is exempt from environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines, Section 15301 – Class 1, which consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.

Fiscal and Facilities Impacts:

Budgeted: N/A

Upon execution of both amendments, SBCAG’s annual rent and replacement reserve obligations will be reduced from \$103,564.44 to \$96,847.32 and the District’s annual rent and replacement reserve obligations will be reduced from \$171,157.80 to \$156,954.60, thereby reducing the County’s annual revenue by \$20,920.32. This amount will be offset through the County General Services Department’s use of the 4,755 square feet of vacated space in Casa Nueva as well as the reallocation of Room 108 in the County Administrative Building to another County Department once General Services moves out of that space.

Special Instructions:

Clerk of the Board, please distribute as follows:

1. Return one (1) original and one (1) duplicate original of each fully-executed amendment to General Services Real Property Division, Attn. Susan Freebourn
2. Maintain one (1) duplicate original of each fully executed amendment for the Official File.
3. Upon return of the fully executed agreements General Services will return an original to the Clerk of the Board for retention in the record
4. Forward a copy of the Minute Order to General Services Real Property Division, Attn. Susan Freebourn

Attachments:

1. Original Lease Agreements with SBCAG and District and First Amendment with District
2. First Amendment to the Lease with SBCAG
3. Second Amendment to the Lease with District

Authored by:

Susan Freebourn, Real Estate Services